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**Testimony before the Committee on Higher Education and Employment
Concerning
S.B. No. 273: An Act Concerning Debt-Free College
and H.B. No.7161: An Act Establishing Finish Line Grants**

Samantha J. Hills, Policy Analyst, Connecticut Association for Human Services, February 28th, 2019

Good afternoon Representative Haddad, Senator Haskell, Representative Hall, Senator Hwang, Representative Turco, Senator Flexer, and members of the Committee on Higher Education and Employment. My name is Samantha J. Hills, and I am a Policy Analyst with the Connecticut Association for Human Services (CAHS). CAHS is a statewide nonprofit agency that works to reduce poverty and promote economic success through both policy and program initiatives.

I am testifying in support of S.B. No.273: An Act Concerning Debt-Free College and H.B. No.7161: An Act Establishing Finish Line Grants. Today more than ever, postsecondary education is a pathway to basic financial security. According to the CT Department of Labor and the Connecticut Department of Economic and Community Development's joint report, *The Connecticut Economic Digest*, 43% of state employment growth will require a bachelor's degree or more, and 13% will require some postsecondary education. In addition, "more than 35% of job growth is projected to be in occupations where the current median wage is \$75,000 per year or more, but 94% of that growth is in occupations where the minimum education necessary is a bachelor's degree or more."¹

While the promise of better-paying job growth leads to the anticipation of increased state economic activity and growth, the potential growth in economic activity is cancelled out when we consider the amount of debt that individuals bear the burden of upon completion of a college degree. Connecticut ranks first in its residents having the highest average student loan debt,² averaging at \$38,510, significantly higher than the national average of \$32,731. Connecticut is home to 460,700 borrowers, owing \$14.9 billion.³ That is \$14.9 billion that is not being invested at local or state level economies.

Over the last 25 years, the cost of higher education has shifted from public investment funds to individuals. According to State Higher Education Executive Officers Association, the share of education revenue a student in Connecticut pays has increased 96% – from 27% in 1992 to 53% in 2017. Connecticut is one of 28 states that relies more heavily on tuition dollars than

¹ Krzyzek, Matthew and Flaherty, Patrick J. (September 2018) "Long Term Industry and Occupational Projections: 2016-2026," *The Connecticut Economic Digest* 23:9.

² Cheng, Diane and Gonzalez, Veronica (September 2018) *Student Debt and the Class of 2017*, The Institute for College Access & Success, retrieved on 2/27/19 from: https://ticas.org/posd/map-state-data#overlay=posd/state_data/2018/ct.

³ U.S. Department of Education, retrieved on 02/27/19 from: <https://studentaid.ed.gov/sa/about/data-center/student/portfolio>.



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state and local appropriations.⁴ Since the 2008 recession, *Connecticut has reduced its per student higher education appropriations by 19%.*⁵ Connecticut needs to recommit to having one of the most well-educated workforces and reducing the individual debt burden by funding public colleges and universities.

Low-income students, defined as those who receive a Pell Grant, pay a much larger share of their income towards a college degree. Across all types of bachelor's degree programs (for-profit, private non-profit, and public), the average net price as a percent of income for low income students is 60%, compared to 33% for students who have not received a Pell Grant.⁶ The same pattern is evident across associate's degree programs, with an average net price as a 60% share of income for students who received a Pell Grant and 38% for those who did not receive a Pell Grant.⁷ This puts to an end the false notion that community, technical, or other public colleges are affordable, particularly for low-income students.

While CAHS supports any movement towards a debt-free college system, as part of our mission to end poverty, we support pathways from poverty to opportunity and from financial insecurity to capability and success. Most times, these pathways differ from what is considered a "traditional" pathway, and we would be remiss if we did not address the equity of this proposed policy in meeting the needs of low-income and other non-traditional students.

CAHS prioritizes educational opportunities for low-income students, whose experience differs from more traditional students, which is why it is important to consider how well S.B. No.273 and H.B. No.7161 are meeting their needs. Many low-income students are part-time, are parents, or are first-generation college attendees. They could also be in positions of homelessness, be aged-out foster youth, be undocumented, or be an adult learner. Consider that nationally:⁸

- 37% of college students are 25 or older.
- 46% are first-generation college goers.
- 64% of college students work, and 40% of them work full time.
- 49% of college students are financially independent from their parents.
- 6% of college students serve or have served in the U.S. armed forces.
- 24% of college students have children or other dependents.
- 57% of students live independently – away from their parents or campus.
- 31% of college students come from families at or below the Federal Poverty Guideline, and
- 53% come from families at or below twice the Federal Poverty Guideline.

⁴ State Higher Education Executive Officers Association (2018), as presented in Huelsman, Mark (September 2018) *A Blueprint for College without Debt, Demos*.

⁵ Ibid.

⁶ Huelsman, Mark (September 2018) *A Blueprint for College without Debt*, calculated from 2015-16 National Postsecondary Student Aid Study, retrieved 2/27/19 from: <https://www.demos.org/publication/blueprint-college-without-debt-policy-and-messaging-guide-states-make-higher-education-a>.

⁷ Ibid.

⁸ Lumina Foundation (February 2019) *Who is Today's Student?*, retrieved on 02/27/19 from: <https://www.luminafoundation.org/files/resources/today-s-student.pdf>.



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- 36% of college students reported not knowing where their next meal was coming from.
- 9% of college students reported being homeless within the past year.

According to the Office of Higher Education's 2017 report, *the fastest growing demographics in Connecticut are the over 25 student and the part-time student*. In the last ten years, the number of students under 25 has increased by 6.2%, while the number of over 25 has increased by 11.6%. The number of full-time students across all ages has increased 3.9%, while the number of part-time students across all ages has increased 15.6%.⁹

To meet the needs of these students, we suggest broadening the definition of a “qualifying student” to include students who are attending at least half-time. A half-time status is what is required to receive federal aid. Without including this provision, it is unlikely that a single parent who must have a job would be able to attend full-time while attending to the needs of their family and sustaining work life. As an agency that supports two-generational initiatives to lift families out of poverty, we believe that supporting parents creates better outcomes for children, who are ultimately the future of our state. CAHS urges you to remove the barriers that exist for low-income students in attaining their educational goals and contributing to the economic prosperity of Connecticut.

As S.B. No.273 is written, it offers a last-dollar subsidy for a student attending one of Connecticut's 12 community-technical colleges. While this is helpful to all those who want to complete two years of higher education, a majority of the funding is directed toward middle-income students and away from the lowest-income students – considering the average cost of a Connecticut community college is \$5238 and the average Pell Grant award is \$4010. Additional appropriations to complete 4-year degree programs are needed to meet the full need of low-income students, who are disproportionately Black and Hispanic. Disproportionate debt among these demographic groups reinforces the racial disparities we observe at every economic angle. While the policy makes a good start, the inherent inequity by only including students who have the ability to attend full-time, means it is bound to perpetually reproduce the racial wealth gaps that it hopes to close. Without consideration of what makes a program more regressive and less inclusive, we “run the risk of fulfilling the promise of affordable college for only a small subset of students.”¹⁰

To address the lack of resources for low-income and non-traditional students who aim to complete a bachelor's degree, we support S.B. No.273 in conjunction with H.B. No.7161, with a broadened definition of “eligible student” to include half-time students. Through the combination of these two bills, a pathway to a bachelor's degree for low-income students can be designed. Students who complete their first two years of higher education at a community college using a debt-free system proposed by S.B. No.273 are able to transfer to a four-year state institution of higher learning, where they can complete their bachelor's degree using the finish line grants proposed in H.B. No.7161. In addition, another supportive bill for low-income students will be

⁹ Office of Higher Education, *2017 Connecticut Higher Education System Data and Trends Report*, calculated from Integrated Postsecondary Education Data System (IPEDS), retrieved on 2/27/19 from: <https://www.ctohe.org/News/Publications.shtml>.

¹⁰ Huelsman, Mark (September 2018).



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heard by the Education Committee. The bill, S.B. No.934, proposes to offer subsidized daycare for parents who are attending school. CAHS supports creating an infrastructure that includes comprehensive two-generational strategies to bolster an adult who is trying to increase economic security and mobility through higher education and training. The purpose of mentioning this bill is to highlight the complexity of the systemic nature of poverty and the experience of low-income parents. Awareness of their unique issues can help address barriers to success that are often viewed singularly, or, as is commonly said, “in silos.”

Seventeen other states have statewide debt-free college programs. These programs have increased enrollment, college persistence, and attainment.¹¹ Connecticut would be wise to be proactive in implementing a higher education policy that would raise all of us together, and reduce inequalities and barriers to education. Preparing the state workforce for the expected employment growth will bring a return on investment by lifting families out of poverty, bringing greater taxpayer investment, and greater tax revenue to our state. The debt-free proposal has potential to transform lives by putting higher education within reach of all who desire to pursue and obtain a degree. We respectfully submit that the Committee has the power to lift the burden of potential debt which is holding many Connecticut residents back from pursuing their dreams.

¹¹ Ibid.